

Arizona HRD: Innovating People Systems to Accelerate the Performance of State Government

NOMINATOR:

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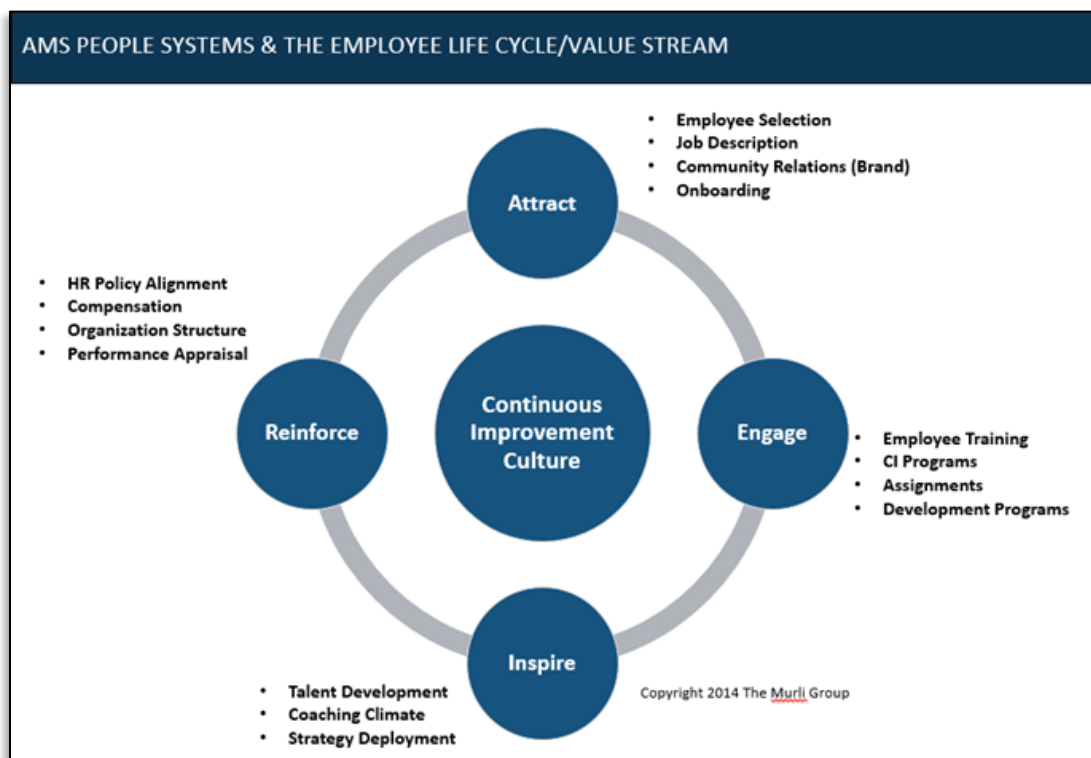
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PROGRAM SUMMARY

Governor Doug Ducey took office in January 2015 determined to transform the way Arizona government delivers results for its citizens. For this reason, he introduced the Arizona Management System (AMS), an intentional, results-driven approach that asks every state employee to reflect on performance, reduce waste and commit to continuous improvement with sustainable progress. As stewards of the state workforce, the State's Human Resources Division (HRD) was charged with creating People Systems that would accelerate the performance of State agencies to advance the governor's goal of efficient and accountable government. HRD staff have created multiple statewide HR programs as determined by our strategic planning process that aligns with the HRD Value Stream depicted below.



1. Provide a brief description of this program

The Arizona State Human Resources Division (HRD) creates and continuously improves Arizona's People Systems, in alignment with the Arizona Management System (AMS), an intentional, results-driven approach for doing the work of state government so that every state employee reflects on performance, reduces waste and commits to continuous improvement with sustainable progress. HRD developed and implemented a comprehensive suite of statewide People Systems to support employees as they apply these principles.

2. How long has this program been operational (month and year)?

In September 2016, HRD initiated the design and development of People Systems.

3. Why was this program created? (What problem(s) or issues does it address?)

HRD is uniquely positioned to drive Arizona's operational transformation with velocity and strategic action by helping to ensure the work environment and people-related processes reinforce desired behaviors and align with AMS. As shown in the table below, HRD has created multiple programs to support and enable employees as they adopt AMS principles in their work.

Innovative People Systems Support and Enable AMS "Data-driven Decision Making and Disciplined Problem Solving, Always with the Customer in Mind"	
People Systems Program	Supports and Enables AMS by:
Project Management Standard Work	Ensuring that all projects follow a Plan-Do-Check-Act cycle, that they make appropriate progress, and that they incorporate visual management principles to track activities, level of deployment, etc.
1:1 Coaching for Continuous Improvement	Refocusing leaders from a practice of 'telling' their employees what to do, to helping their employees learn to problem-solve on their own. This practice supports a key tenet of AMS: Every employee, at every level, with discipline, reflecting daily on how they did, finding the waste, and deciding how to do better going forward with sustainable progress.
New Performance Appraisal	Evaluating employee Results and Behaviors that are aligned with the governor's Fundamentals MAP, as well as lean and continuous improvement principles. The new Performance Appraisal includes "Looking Forward" areas, where leaders and employees focus on ways to improve in the future.
Employee Engagement Survey	Continuously improving the statewide survey, communications and action planning tools supports the AMS key elements of enabling problem solving and identifying counter-measures at the agency level, and following standard work in the administration of the survey.
Talent Mobility	Addressing employee fear of displacement if continuous improvement through AMS and Lean principles results in employee attrition or shifting roles.

Innovative People Systems Support and Enable AMS "Data-driven Decision Making and Disciplined Problem Solving, Always with the Customer in Mind"	
People Systems Program	Supports and Enables AMS by:
Succession Planning	Establishing the process for succession planning supports the AMS key elements of creating standard work, problem solving and identifying counter-measures while enabling agencies to meet Statewide goals for attracting, developing and retaining talent, planning and reviewing performance, and managing risk.
Exit Surveys	Gathering Exit Survey data on a statewide basis (all agencies), using a common set of questions and a common methodology, and providing ad hoc dashboard viewing capability to agency leaders and HR staff, so that they can take appropriate action to address regrettable attrition.

4. Why is this program a new and creative method?

AMS is based on principles of Lean management, which many states have adopted to reduce waste in their processes. With AMS, Arizona goes further by creating a disciplined system for employees to reflect on performance, creatively solve problems and continuously improve with sustainable progress. Our People Systems enable the Arizona government workforce to think and operate with statewide participative accountability.

5. What was the program’s start-up costs? (Provide detailed information about specific purchases for this program, staffing needs and other expenditures, as well as existing materials, technology and staff already in place.)

The programs, projects and processes associated with this nomination are funded by regular appropriated funds of the Human Resources Division. Most costs are related to employee services of existing staff and training them on change management, Lean, project management, etc. No additional funding was required to do this work.

6. What are the program’s operational costs?

Programs are incorporated into normal work for all members of HRD. There are few operational costs.

7. How is this program funded?

State agencies contribute a proportionate share of the overall cost of personnel administration services provided by HRD. All HRD programs are funded through the ongoing budgetary decisions made by HRD leadership.

8. Did this program originate in your state?

AMS was originated in and uniquely designed for the State of Arizona. The HR programs, projects, and processes (People Systems) cited in this nomination were created by staff members in HRD by living and applying AMS business principles to how we work (see example in #9).

9. Are you aware of similar programs in other states? If yes, how does this program differ?

Several states have used Lean to complete projects that have dramatically improved business operations. Two disciplines set Arizona apart: (1) HRD has been involved since the beginning of the AMS transformation to prepare the people for the change and develop and deliver the People Systems to support the desired behaviors needed for the transformation to be successful. (2) HRD employees apply the AMS principles and tools to their daily work as they develop, deploy, track and sustain the People Systems to support agencies in their transformations. Standard Work is a key component of AMS. Below are examples of Standard Work to manage projects.

Standard Work for Project Management in Alignment with AMS		
Project Charter	Project Action Item List	Deployment Tracker (to gauge agency participation)
A3 Problem Solving/Storyboard	Huddle Board for Visual Management	After Action Project Reviews
Nemawashi (i.e., to socialize with key stakeholders)	Bi-weekly Project Status Meeting (to solve problems and identify countermeasures)	Case Studies (for reflection, self-learning and sharing)
Project Roadmap/Plan	Pilot to PDCA prior to full deployment	Ongoing PDCA for continuous improvement

10. How do you measure the success of this program?

HRD follows the Plan-Do-Check-Act (PDCA) discipline by initially deploying solutions through a limited pilot, reassessing for continuous improvement, then systematically expanding deployment as adoption and implementation of the program proceeds. In accordance with AMS principles, each specific HR program, project and process has established metrics. (See below examples of success measures and chart tracking deployment by agency.)

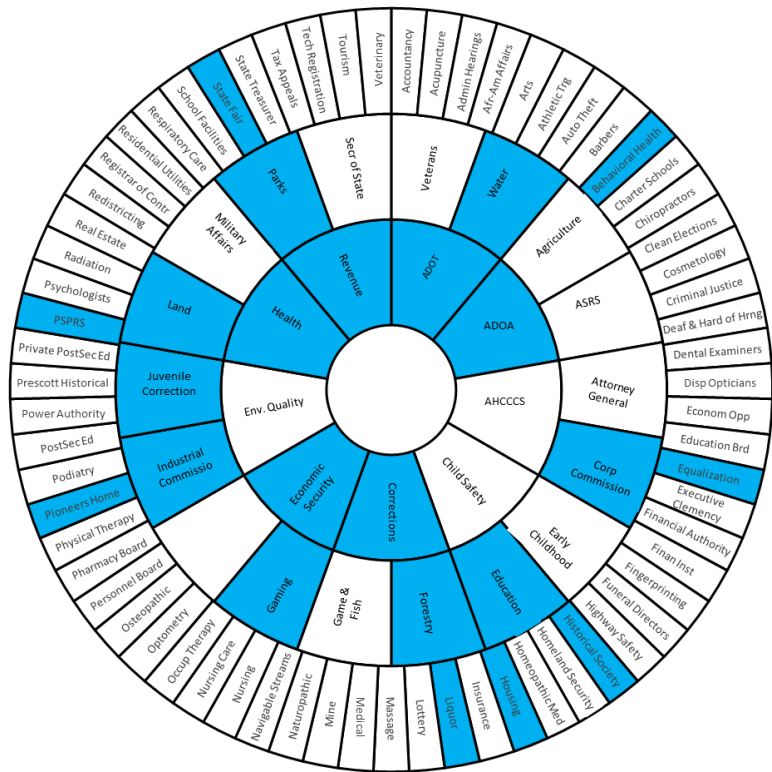
Examples: Measuring the Success of People Systems	
People Systems Program	Measure of Success
Project Management Standard Work	% of adherence to standard work by project
1:1 Coaching	% of agencies deploying the recommended training and tools to implement 1:1 coaching
New Performance Appraisal	% of agencies reporting that the appraisal enables them to effectively plan, review and rate performance
Employee Engagement Survey Communications, Data Analytics and Action Planning	% of agencies participating in the Survey and taking the recommended after actions in response to Survey results
Succession Planning	% of agencies trained on the standard process and tools for creating succession plans
Talent Mobility	# of employees displaced because of continuous improvement who were retained in other jobs in State service
Exit Surveys	% of agencies deploying and participating in the Survey

SAMPLE DEPLOYMENT TRACKER

**1:1 Coaching for
Continuous Improvement
(Statewide Training Deployment)**

LEGEND

- *Inner Circle: Large Cabinet Agencies*
- *Middle Circle: Other Cabinet Agencies*
- *Outer Circle: Remaining Agencies, Boards and Commissions*



11. How has the program grown and/or changed since its inception?

In the spirit of continuous improvement, we PDCA throughout the pilot and deployment periods by conducting focus groups, soliciting stakeholder feedback, customer surveys, etc. The People Systems are now beginning to produce data, enabling leaders to make decisions and take actions to achieve the governor’s goal of efficient and accountable government.